

Message Text

LIMITED OFFICIAL USE

PAGE 01 ROME 15952 292322Z

73

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 TRSE-00 OMB-01

COME-00 EB-07 LAB-04 SIL-01 SAJ-01 /073 W

----- 062370

R 291658Z SEP 76

FM AMEMBASSY ROME

TO SECSTATE WASHDC 0248

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY PARIS

DIA WASHDC

USMISSION NATO

USCINCEUR VAIHINGEN GER

AMCONSUL MILAN

AMCONSUL NAPLES

USDOCOSOUTH

SHAPEUSNR

LIMITED OFFICIAL USE ROME 15952

USDOCOSOUTH FOR INTAF

SHAPEUSNR FOR POLAD

E.O. 11652: N/A

TAGS: PINT, IT

SUBJECT: PCI LEADER URGES LEFT TO ACCEPT ANTI-
INFLATIONARY AUSTERITY MEASURES

1. IN AN INTERVIEW PUBLISHED SEPTEMBER 28 IN THE LEFTIST
DAILY, LA REPUBBLICA, PCI LEADER GIORGIO AMENDOLA CRITICIZED
THE PARTIES OF THE LEFT (INCLUDING "A PART OF THE PCI") FOR
NOT TAKING THE DANGERS OF RUNAWAY INFLATION SUFFICIENTLY
INTO ACCOUNT IN THEIR ECONOMIC PROGRAMS. IN WHAT ONE COMMEN-
TATOR DESCRIBED AS A STATEMENT THAT COULD HAVE COME FROM A
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ROME 15952 292322Z

MEMBER OF THE LIBERAL PARTY, AMENDOLA SAID THAT LAST SUMMER'S

"SLIGHT AND PRECARIOUS ECONOMIC RECOVERY" HAD LED TO "AN IRRESPONSIBLE EUPHORIA" ON THE PART OF THE LEFT, BLINDING THEM TO THE GREATER DANGER OF A RENEWED INFLATIONARY SPIRAL AND ACCOMPANYING MONETARY CRISIS. HE WARNED THAT UNLESS THE GOVERNMENT'S BUDGET AND BALANCE OF PAYMENTS DEFICITS COULD BE REDUCED, ITALY WOULD INEVITABLY HAVE TO SEEK NEW FOREIGN LOANS ATTACHED WITH "EVER MORE ONEROUS POLITICAL AND ECONOMIC CONDITIONS."

2. IN ARGUING FOR IMPLEMENTATION OF CLASSIC ANTI-INFLATIONARY MEASURES TO DEFEND THE LIRA (REDUCTION IN THE MONEY SUPPLY AND INCREASED TAXES), AMENDOLA HAD HARSH WORDS FOR THE TRADE UNIONS. THEY HAD FAILED TO UNDERSTAND THAT SACRIFICES WERE REQUIRED OF THEM AS WELL AS BY THE PRIVILEGED CLASSES. WHILE AMENDOLA SAID IT WAS IMPORTANT TO MAINTAIN THE DISTINCTION OF THE AUTONOMY OF THE TRADE UNIONS FROM POLITICAL PARTIES (INCLUDING THE PCI), IT WAS EQUALLY TRUE THAT "WE CANNOT DELEGATE THE DIRECTION OF THE ENTIRE ECONOMIC POLICY FOR THE LABOR MOVEMENT TO THE TRADE UNIONS" AS HAD OCCURED AT TIMES IN THE PAST.

3. FINALLY, AMENDOLA DEFENDED THE PCI'S POLICY OF SUPPORTING AUSTERITY MEASURES AGAINST THE CHARGE OF TACTICAL "MODERATION" BY THE EXTREME LEFT PARTIES AND THE TRADE UNIONS. HE DENIED THAT THE PCI HAD ADOPTED MODERATE ATTITUDES AND POLICIES ONLY "AS A WAY OF ENTERING THE GOVERNMENT". HE ASSERTED THAT PCI POLICIES WERE PRINCIPLED AND FORMULATED "IN THE GENERAL INTEREST", REGARDLESS OF WHETHER THE PCI WAS IN THE GOVERNMENT OR IN THE OPPOSITION.

4. COMMENT: THE AMENDOLA INTERVIEW IS A GRAPHIC DEMONSTRATION OF THE PCI'S POLITICAL DILEMMA IN ATTEMPTING TO RETAIN ITS REVOLUTIONARY CREDENTIALS WHILE BEHAVING AS A RESPONSIBLE DEMOCRATIC PARTY. IN FOLLOWING A POLICY OF RESPONSIBLE MODERATION IN ECONOMIC MEASURES, THE PCI RISKS ALIENATING ITS WORKER AND TRADE UNION CONSTITUENCY BY SUPPORTING UNPOPULAR AUSTERITY MEASURES. AMENDOLA'S STATEMENTS ARE ALSO A RARE ADMISSION OF DISAGREEMENT WITHIN THE PCI ITSELF, IN ALLOWING THAT "A PART OF THE PCI" ITSELF UNDERESTIMATES THE NEED FOR STRONG MEASURES TO COMBAT INFLATION. END COMMENT. VOLPE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ROME 15952 292322Z

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PERSONAL OPINION, PARTY LINE, INFLATION, PRESS CONFERENCES, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ROME15952
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760423-0575
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976097/aaaaafpn.tel
Line Count: 107
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 26 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 APR 2004 by CollinP0>; APPROVED <13 AUG 2004 by BoyleJA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PCI LEADER URGES LEFT TO ACCEPT ANTI- INFLATIONARY AUSTERITY MEASURES
TAGS: PINT, IT, (AMENDOLA, GIORGIO)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006